

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

PURCHASED WATER ADJUSTMENT OF)
NELSON VALLEY WATER ASSOCIATION) CASE NO. 7333-1

O R D E R

On June 24, 1982, Nelson Valley Water Association ("Nelson Valley") filed its application seeking authority to adjust its rates in accordance with 807 KAR 5:067, Purchased Water Adjustment Clause. Nelson Valley's supplier, Kentucky Water Service Company, Inc., notified Nelson Valley of an increase in the wholesale cost of water from \$1.10 to \$1.25 per 1000 gallons pursuant to an Order of the Public Service Commission in Case No. 8370, Notice of Kentucky Water Service Company, Inc., of Adjustment of Water Rates, dated April 9, 1982.

The Commission, having reviewed the evidence of record and being advised, is of the opinion and finds that:

(1) Nelson Valley's supplier, Kentucky Water Service Company, Inc., increased the wholesale cost of water to \$1.25 per 1000 gallons, effective April 9, 1982.

(2) The financial exhibits filed by Nelson Valley indicate that it cannot absorb the increased cost of wholesale water.

(3) The calculation for the purchased water adjustment made by Nelson Valley is incorrect in that an error was made in computing line loss and the total gallons allowable for consideration

in determining the purchased water adjustment. The correct purchased water adjustment is \$.18 per 1000 gallons and should be approved.

(4) The base rate for future application of the purchased water adjustment clause should be:

<u>Supplier</u>	<u>Rate</u>
Kentucky Water Service Company, Inc.	\$1.25 per 1,000 gallons

(5) The rates in Appendix A are fair, just and reasonable and should be approved.

IT IS THEREFORE ORDERED that the purchased water adjustment sought by Nelson Valley be and it hereby is denied.

IT IS FURTHER ORDERED that the purchased water adjustment in the amount of \$.18 per 1000 gallons and the rates in Appendix A be and they hereby are approved for service rendered on and after the date of this Order.

IT IS FURTHER ORDERED that for the purpose of future application of the purchased water adjustment clause of Nelson Valley, the base rate for purchased water shall be:

<u>Supplier</u>	<u>Rate</u>
Kentucky Water Service Company, Inc.	\$1.25 per 1,000 gallons

IT IS FURTHER ORDERED that within 30 days of the date of this Order, Nelson Valley shall file with the Commission its revised tariff sheets setting out the rates approved herein.

Done at Frankfort, Kentucky, this 19th day of July, 1982.

PUBLIC SERVICE COMMISSION

Marlin M. Voth
Chairman

Katherine Sandall
Vice Chairman

Lenn Carrigan
Commissioner

ATTEST:

Secretary

APPENDIX A

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE COMMISSION IN CASE NO. 7333-1 DATED JULY 19, 1982

The following rates are prescribed for the customers of Nelson Valley Water Association. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

GALLONAGE BLOCK

First	2000 gallons
Next	3000 gallons
Over	5000 gallons

MONTHLY RATES

\$7.36 minimum
2.93 per 1,000 gallons
2.68 per 1,000 gallons